

MARTIN YATES, III
1912-1985

FRANK W. YATES
1926-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN EMERITUS
JOHN A. YATES
CHAIRMAN OF THE BOARD
PEYTON YATES
PRESIDENT
FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT
JOHN A. YATES, JR.
SENIOR VICE PRESIDENT

July 9, 2007

Mr. Chris Williams
NMOCD District I
1625 French Drive
Hobbs, NM 88240

RE: 1RP-1004
Lovelady SWD #1
30-005-20474
Section 31, T8S-R33E
Chaves County, New Mexico

Dear Mr. Williams,

Enclosed please find a Form C-141, Final Report for the above captioned site regarding the release on July 19, 2006 (8 B/O with 5 B/O recovered), inside the bermed battery. A vacuum truck picked up oil and contaminated soils were excavated and taken to an OCD approved land facility. Site ranking is zero (0), with the depth to ground water > 100' (approximately 220'). Based on the remedial and cleanup actions taken (oil recovered, soils excavated), analytical report and that any remaining contaminants will not pose a threat to fresh water, public health and the environment in the release area, Yates Petroleum Corporation requests no further remediation and site closure.

If you have any questions, please call me at 505-748-4217.

Thank you.

YATES PETROLEUM CORPORATION

Robert Asher
Environmental Regulatory Agent

/rca
Enclosure(s)

District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-141
Revised October 10, 2003
Submit 2 Copies to appropriate
District Office in accordance
with Rule 116 on back
side of form

Release Notification and Corrective Action

OPERATOR

Initial Report Final Report

Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 TH Street	Telephone No. 505-748-1471	
Facility Name Lovelyday SWD #1	API Number 30-005-20474	Facility Type Battery
Surface Owner State	Mineral Owner State	Lease No. K-6795

LOCATION OF RELEASE

Unit Letter	Section	Township	Range	Feet from the	North/South Line	Feet from the	East/West Line	County
J	31	8S	33E	1980	South	1980	East	Chaves

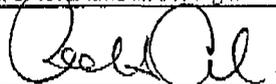
Latitude 33.57454 Longitude 103.60400

NATURE OF RELEASE

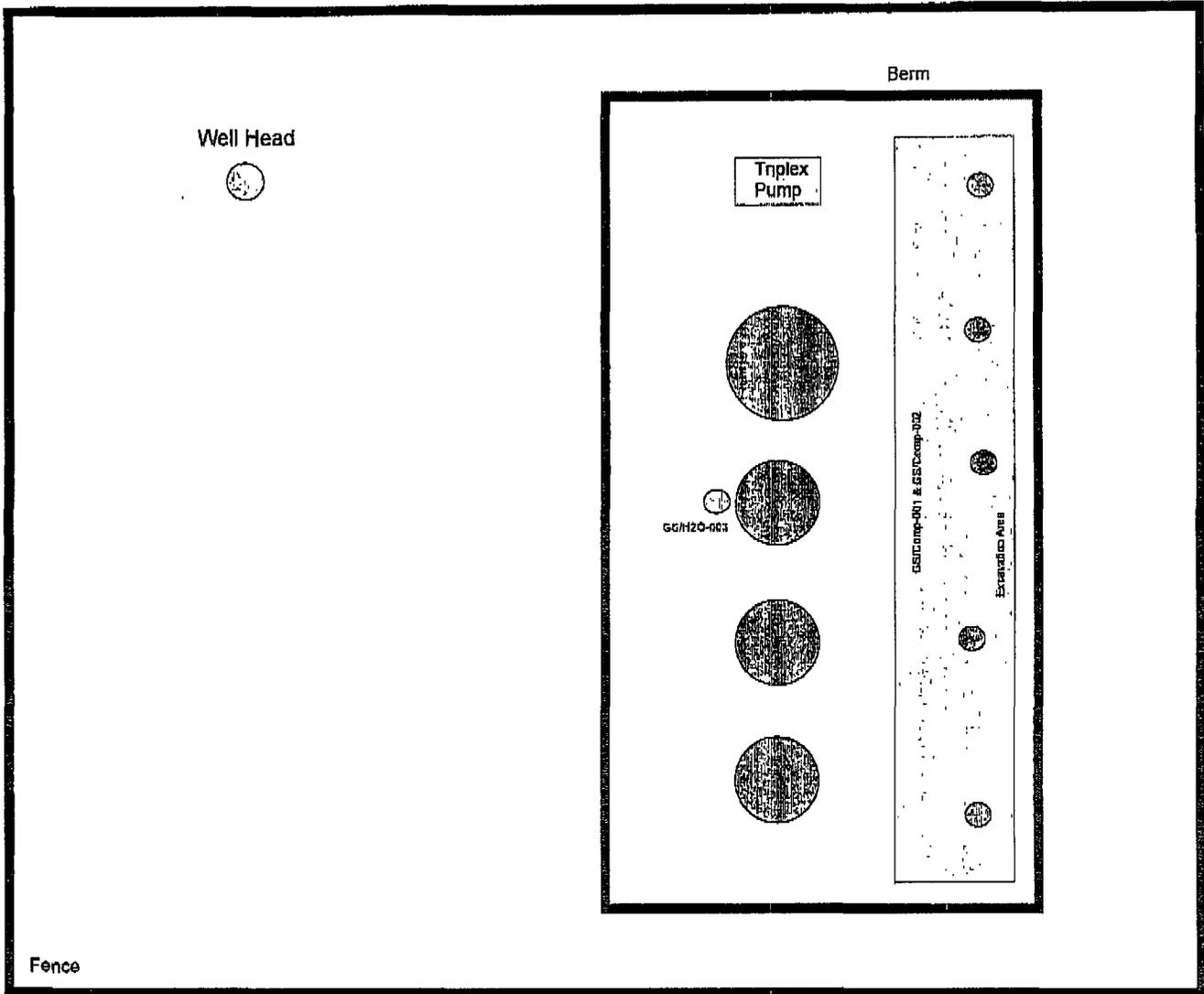
Type of Release Crude Oil	Volume of Release 8 B/O	Volume Recovered 5 B/O
Source of Release Water Tank	Date and Hour of Occurrence 7/19/2006 - PM	Date and Hour of Discovery 7/19/2006 - PM
Was Immediate Notice Given? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Required	If YES, To Whom? N/A	
By Whom? N/A	Date and Hour N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse. N/A	
If a Watercourse was Impacted, Describe Fully.* N/A		
Describe Cause of Problem and Remedial Action Taken.* Pump failure due to electrical problems causing tank to run over. Picked up standing fluids.		

Describe Area Affected and Cleanup Action Taken.*
An approximate area of 3' X 50'. Contaminated soils excavated and hauled to landfarm. Area to be evaluated. **Depth to Ground Water: > 100', Wellhead Protection Area: No, Distance to Surface Water Body: >1000', SITE RANKING IS 0. With enclosed information, Yates Petroleum Corporation is requesting closure.**

I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment. The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment. In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.

Signature: 	OIL CONSERVATION DIVISION	
Printed Name: Robert Asher	Approved by District Supervisor: 	
Title: Environmental Regulatory Agent	Approval Date: 9/26/07	Expiration Date: 9/26/07
E-mail Address: boba@ypcnm.com	Conditions of Approval:	Attached <input type="checkbox"/>
Date: Monday, July 09, 2007	Phone: 505-748-1471	

* Attach Additional Sheets If Necessary



Sample ID	Sample Date	Sample Type	Depth	BTEX	Chlorides	TPH (GRO)	TPH (DRO)	TPH (TOTAL)
GS/Comp-001	6/26/2007	Grab/Auger	12"	ND	108	38.4	72.7	243.1
GS/Comp-002	6/26/2007	Grab/Auger	24"	0.1332	348	57.8	74.2	132.0
Sample ID	Sample Date	Sample Type	Depth	BTEX	Chlorides	TPH (GRO)	TPH (DRO)	TPH (TOTAL)
GS/H2O-003	6/26/2007	Grab	N/A	ND	43100	N/A	N/A	N/A

Site Ranking is Zero (0). Depth to Ground Water >100" (approx. 220')
 All results are ppm.

PW



Lovelady SWD #1
 Section 31 T8S-R33E
 Chaves County, NM

EXHIBIT
 Sample Diagram (Not to Scale)
 Prepared by Robert Asher
 Environmental Regulatory Agent
 July 9, 2007

Analytical Report 285188

for

Yates Petroleum Corporation

Project Manager: Robert Asher

Lovelady SWD # 1

30-005-20474

06-JUL-07



12600 West I-20 East Odessa, Texas 79765

A Xenco Laboratories Company

NELAC certification numbers:

Houston, TX E871002 - Miami, FL E86678 - Tampa, FL E86675

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America



06-JUL-07

Project Manager: **Robert Asher**
Yates Petroleum Corporation
105 South Fourth St.
Artesia, NM 88210

Reference: XENCO Report No: **285188**
Lovelady SWD # 1
Project Address: Chaves County

Robert Asher:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number 285188. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. Estimation of data uncertainty for this report is found in the quality control section of this report unless otherwise noted. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 285188 will be filed for 60 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Brent Barron

Odessa Laboratory Director

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America



Sample Cross Reference 285188



Yates Petroleum Corporation, Artesia, NM

Lovelady SWD # 1

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
GS/Comp-001	S	Jun-26-07 10:38		285188-001
GS/Comp-002	S	Jun-26-07 10:58		285188-002
GS/H2O-003	W	Jun-26-07 11:20		285188-003



Certificate of Analysis Summary 285188
Yates Petroleum Corporation, Artesia, NM
Project Name: Lovelady SWD # 1



Project Id: 30-005-20474
 Contact: Robert Asher
 Project Location: Chavez County

Date Received in Lab: Fri Jun-29-07 10:45 am
 Report Date: 06-JUL-07
 Project Manager: Brent Barron, II

Analysis Requested	Lab Id:	285188-001	285188-002	285188-003		
	Field Id:	GS/Camp-001	GS/Comp-002	GS/H2O-003		
	Depth:					
	Matrix:	SOIL	SOIL	WATER		
	Sampled:	Jun-26-07 10:38	Jun-26-07 10:58	Jun-26-07 11:20		
BTEX by EPA 8021B	Extracted:	Jul-02-07 13:00	Jul-02-07 13:00			
	Analyzed:	Jul-03-07 01:26	Jul-03-07 01:46			
	Units/RL:	mg/kg RL	mg/kg RL			
Benzene		ND 0.0024	0.0025 0.0025			
Toluene		ND 0.0024	0.0175 0.0025			
Ethylbenzene		ND 0.0024	0.0116 0.0025			
m,p-Xylene		ND 0.0049	0.0801 0.0049			
o-Xylene		ND 0.0024	0.0215 0.0025			
Total Xylenes		ND	0.1016			
Total BTEX		ND	0.1332			
Inorganic Anions by EPA 300	Extracted:					
	Analyzed:	Jul-02-07 14:10	Jul-02-07 23:01	Jul-03-07 13:55		
	Units/RL:	mg/kg RL	mg/kg RL	mg/L RL		
Chloride		106 6.07	348 12.3	43100 500		
Percent Moisture	Extracted:					
	Analyzed:	Jun-29-07 17:10	Jun-29-07 17:15			
	Units/RL:	% RL	% RL			
Percent Moisture		17.6	18.4			
TPH by SW 8015B	Extracted:	Jul-02-07 16:09	Jul-02-07 16:09			
	Analyzed:	Jul-03-07 12:24	Jul-03-07 12:49			
	Units/RL:	mg/kg RL	mg/kg RL			
C6-C10 Gasoline Range Hydrocarbons		33.4 30.5	57.8 30.6			
C10-C28 Diesel Range Hydrocarbons		72.7 30.5	74.2 30.6			

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use. The interpretation and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories. XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented. Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Since 1990 Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America


 Brent Barron
 Odessa Laboratory Director



Flagging Criteria

- X** In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to effect the recovery of the spike concentration. This condition could also effect the relative percent difference in the MS/MSD.
- B** A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.
- D** The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.
- E** The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.
- F** RPD exceeded lab control limits.
- J** The target analyte was positively identified below the MQL and above the SQL.
- U** Analyte was not detected.
- L** The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.
- H** The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.
- K** Sample analyzed outside of recommended hold time.

Recipient of the Prestigious Small Business Administration Award of Excellence in 1994.

Certified and approved by numerous States and Agencies.

A Small Business and Minority Status Company that delivers SERVICE and QUALITY

Houston - Dallas - San Antonio - Austin - Tampa - Miami - Latin America

11381 Meadowglen Lane Suite L Houston, Tx 77082-2647
 9701 Harry Hines Blvd , Dallas, TX 75220
 5332 Blackberry Drive, Suite 104, San Antonio, TX 78238
 2505 N. Falkenburg Rd., Tampa, Fl. 33619
 5757 NW 158th St, Miami Lakes, FL 33014

Phone	Fax
(281) 589-0692	(281) 589-0695
(214) 902 0300	(214) 351-9139
(210) 509-3334	(201) 509-3335
(813) 620-2000	(813) 620-2053
(305) 823-8500	(305) 823-8555

Environmental Lab of Texas
Variance/ Corrective Action Report- Sample Log-In

Client: Yates
Date/ Time: 6/29/07 10:45
Lab ID #: 285188
In (date): MC

Sample Receipt Checklist

			Client Initials
#1 Temperature of container/ cooler?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<u>A. D.</u>
#2 Shipping container in good condition?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
#3 Custody Seals intact on shipping container/ cooler?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Present
#4 Custody Seals intact on sample bottles/ container?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Present
#5 Chain of Custody present?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
#6 Sample instructions complete of Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
#7 Chain of Custody signed when relinquished/ received?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
#8 Chain of Custody agrees with sample label(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	ID written on Cont./ Lid
#9 Container label(s) legible and intact?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Applicable
#10 Sample matrix/ properties agree with Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
#11 Containers supplied by ELO?T?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
#12 Samples in proper container/ bottle?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	See Below
#13 Samples properly preserved?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	See Below
#14 Sample bottles intact?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
#15 Preservations documented on Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
#16 Containers documented on Chain of Custody?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	See Below
#17 Sufficient sample amount for indicated test(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	See Below
#18 All samples received within sufficient hold time?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	See Below
#19 Subcontract of sample(s)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Applicable
#20 VOC samples have zero headspace?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Not Applicable

Variance Documentation

Contact _____ Contacted by: _____ Date/ Time _____

Regarding _____

Corrective Action Taken _____

- Check all that Apply.
- See attached e-mail/ fax
 - Client understands and would like to proceed with analysis
 - Cooling process had begun shortly after sampling event